



House of Representatives

General Assembly

File No. 800

January Session, 2001

House Resolution No. 31

House of Representatives, May 21, 2001

The House Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE
BARGAINING AGREEMENT BETWEEN THE STATE OF
CONNECTICUT AND THE CONNECTICUT EMPLOYEES UNION
INDEPENDENT (NP-7) BARGAINING UNIT.**

Resolved by this House:

- 1 That the collective bargaining agreement between the State of
- 2 Connecticut and the Connecticut Employees Union Independent (NP-
- 3 7) Bargaining Unit, effective upon approval by the General Assembly
- 4 and expiring June 30, 2004, and submitted to this assembly May 4,
- 5 2001, for approval, as provided in subsection (b) of section 5-278 of the
- 6 general statutes, is approved.

APP *House Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: Cost

Affected Agency: Reserve for Salary Adjustments Account,
Board of Education and Services for the Blind

Municipal Impact: None

Explanation

	FY 01	FY 02	FY 03
State Cost			
All Funds	\$15,006	\$74,549	\$87,090

State Impact:

This collective bargaining agreement for the Board of Education and Services for the Blind Industries Division "360" Employees (NP-7) bargaining unit is submitted for approval. The contract is effective upon legislative approval and expires on June 30, 2004. Costs shown above are for the 23 All Funds employees covered by this contract. Estimated FY 04 costs are \$100,046 for All Funds. Estimated FY 04 annualized costs are \$100,541. Details of the costs are attached.

This is a new bargaining unit. Most bargaining unit members are sewers in the Board of Education and Services for the Blind's Industries Program. After the initial pay increase, wage increases associated with this contract are generally in line with wage increases in negotiated agreements and arbitrated awards for other bargaining units. Members of this bargaining unit do not receive annual

increments.

The program is currently funded through a non-appropriated source. Legislation will be proposed to authorize the transfer of funds from the General Fund Reserve for Salary Adjustments account. It is anticipated that an OCE account will be established in the agency in order to effect the transfer from the Reserve for Salary Adjustments account. Funding is available in the Reserve for Salary Adjustments account to cover the FY 01 costs of this agreement. The Appropriations Committee budget (sHB 6668) includes sufficient funds within the Reserve for Salary Adjustments account to cover the costs associated with this agreement for the 2001-2003 biennium.

**Cost Estimate of Agreement
All Funds**

Board of Education and Services for the Blind Industries Division

“360” Employees (NP-7) Bargaining Unit

Agency Affected: Board of Education and Services for the Blind

Term of Contract: Effective upon Legislative Approval through June
30, 2004

Number of Full-Time Employees Affected by Contract: 23 All Funds

Cash Basis Percent Increase

	Salary	Wage Increase
Prior to Contract	\$ 16,389	
1st Year of Contract (FY 02)	16,489	0.61%
2nd Year of Contract (FY 03)	16,489	0.00%
3rd Year of Contract (FY 04)	16,923	2.63%
4th Year of Contract (FY 05)	17,355	2.56%

Annualized Basis Percent Increase

	Salary	Wage Increase
Prior to Contract	\$ 16,389	
1st Year of Contract (FY 01)	19,038	16.16%
2nd Year of Contract (FY 02)	19,038	0.00%
3rd Year of Contract (FY 03)	19,558	2.73%
4th Year of Contract (FY 04)	20,078	2.66%

Cost Summary Data - Estimated Costs for All Funds

	Prior to Contract	At End of Contract Annualized	Percent Increase (4 Years)
Salaries[1]	\$ 376,958	\$ 461,803	22.5%
Fringe Benefits[2]			
Current Items	\$ 125,494	\$ 139,095	10.8%
Negotiated Improvements		140	0.1%
Total	\$ 502,452	\$ 601,038	19.6%

4.57% average per year (compounded)

[1] Salaries include base salary only.

[2] Fringe benefits include Social Security and current health and life insurance.

Detail of Cost Estimates All Funds [1]

Contract Items	FY 04				
	FY 01	FY 02	FY 03	FY 04[2]	Annualized[2]
First Year (FY 01) [3]					
\$1.25/Hour Wage Increase Effective upon legislative approval (one pay period)	\$ 2,300	\$ 59,800	\$ 59,800	\$ 59,800	\$ 59,800
\$500 Lump Sum Signing Bonus	11,500	-	-	-	-
Establish Longevity Payment Plan	-	900	1,050	1,125	1,125
Establish Safety Shoe Allowance of \$70 (two employees)	140	140	140	140	140
Establish Union Business Leave of 184 Hours	-	1,450	1,450	1,450	1,450
Increase in Vacation Leave Accrual	-	2,612	2,612	2,612	2,612
Increase in Sick Leave Accrual	-	4,350	4,350	4,350	4,350
Tuition Reimbursement of \$125 per Credit	-	Minimal	Minimal	Minimal	Minimal
Travel Mileage and Meal Reimbursement Established	-	Minimal	Minimal	Minimal	Minimal
Convert to State Life Insurance Plan	-	(Minimal)	(Minimal)	(Minimal)	(Minimal)
Convert to State Health Insurance Program [4]					
Enrollment in SERS, Begin Accrual Retroactive to 5/1/99 [5]					
Total First Year	\$ 13,940	\$ 69,251	\$ 69,401	\$ 69,476	\$ 69,476
Second Year (FY 02)					
		\$ -	\$ -	\$ -	\$ -
Third Year (FY 03)					
\$0.25/Hour Wage Increase Effective 6/28/02 (25 pay periods)			\$ 11,500	\$ 11,960	\$ 11,960
Fourth Year (FY 04)					
\$0.25/Hour Wage Increase Effective 6/27/03 (25 pay periods)				\$ 11,500	\$ 11,960

Total Contract Items	\$ 13,940	\$ 69,251	\$ 80,901	\$ 92,936	\$ 93,396
Social Security Costs [6]	1,066	5,298	6,189	7,110	7,145
Total Cost of Contract [7]	\$ 15,006	\$ 74,549	\$ 87,090	\$ 100,046	\$ 100,541

[1] In addition to the 23 full-time employees covered by this contract, there are two part-time employees who are eligible for wage increases and the lump-sum signing bonus.

[2] This cost analysis is based on annual costs equaling the payment of 26 payrolls. PA 99-1 of the June Special Session authorizes the development of the state budget on a GAAP (Generally Accepted Accounting Principles) basis beginning in FY 04. This change will basically add one-tenth of a payroll to annual costs beginning in that year.

[3] This contract is effective upon legislative approval. If the legislature approves the contract with 30 days of receipt, the contract will be in effect for one pay period during FY 01.

[4] Conversion to the State Health Insurance Program will generate slight savings for those who continue individual coverage. Depending on vendor and coverage selection, there may be additional premium costs.

[5] Cost will accrue based upon the next valuation.

[6] Wage increases directly impact Social Security contributions. Due to the actuarial valuation method used to cost pension plan contributions, the impact on pension costs is delayed until the next valuation.

[7] Legislation will be proposed to authorize the transfer of funds from the General Fund Reserve for Salary Adjustments account. It is anticipated that an OCE account will be established in the agency in

order to effect the transfer from the Reserve for Salary Adjustments account.

OFA Bill Analysis

HR 31

**RESOLUTION PROPOSING APPROVAL OF A COLLECTIVE
BARGAINING AGREEMENT BETWEEN THE STATE OF
CONNECTICUT AND THE CONNECTICUT EMPLOYEES UNION
INDEPENDENT (NP-7) BARGAINING UNIT.**

SUMMARY:

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

COMMITTEE ACTION

Appropriations Committee

House Favorable Report

Yea 36 Nay 0